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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/888,797	06/25/2001	H. Brock Kolls	USA-010-01	2586
31304	7590	05/16/2006	EXAMINER	
H. BROCK KOLLS USA TECHNOLOGIES, INC. 100 DEERFIELD LANE SUITE 140 MALVERN, PA 19355			MILEF, ELDA G	
		ART UNIT		PAPER NUMBER
				3628
DATE MAILED: 05/16/2006				

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s)
	09/888,797	KOLLS, H. BROCK
	Examiner Elda Milef	Art Unit 3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
  - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
  - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on \_\_\_\_\_.
- 2a) This action is FINAL.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-35 is/are pending in the application.
  - 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-35 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 25 June 2001 is/are: a) accepted or b) objected to by the Examiner.
 

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    - a) All    b) Some \* c) None of:
      1. Certified copies of the priority documents have been received.
      2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
      3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |  |
|--|--|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)              |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>9/10/2001, 11/25/2002, 1/14/2003, 4/12/2004, 12/06/2004</u> | 6) <input type="checkbox"/> Other: _____.  |

**DETAILED ACTION**

***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. Claims 3-4, 9, 11, 15, 20-21, 23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 3 recites the limitation "the current iteration" in line 6. There is insufficient antecedent basis for this limitation in the claim.

Claims 9, 11, 15, 23 recite the limitation "includes data communicating with a remote location". It is unclear to the Examiner how data can communicate. Is this limitation to read the data is transmitted to a remote location or that the processor will communicate with the server/computer at a remote location?

Claim 20 recites the limitation "said local authorization routine" in line 7. There is insufficient antecedent basis for this limitation in the claim.

Claims 4 and 21 are rejected because of their dependency to rejected claims 3 and 20.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-17 are rejected under 35 U.S.C. 101 because the steps of obtaining identification data, testing data, updating local databases, and determining if a limit has been reached as specified in claim 1, do not provide a practical application of an idea resulting in a useful, concrete, and tangible result. The claimed invention relates to gathering data and performing tests on the data. Accordingly, a tangible and useful result is not realized and the claims are therefore rejected under 35 U.S.C. 101. See MPEP § 2106 II (A), and State Street, 149 F.3d at 1373, 47 USPQ2d at 1601-02.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. Claims 1-5, 7-8, 10, 12-14, 16-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur (US Patent No. 6,427,912).

**Re claim 1:** Levasseur discloses:

obtaining at an audit-credit-interactive system a plurality of card identification data and performing a card validity test on said plurality of card identification data ("The present invention utilizes a system and method for approving and processing credit card transactions in an off-line vending machine or system...the system is so constructed or programmed to operate to verify acceptable card types, ..by verifying card number check sums, determine that the credit card

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presented...is currently valid, i.e., unexpired, and has an authorized credit limit...")-see col. 2 lines 42-55;

performing a card usage frequency limit test ("The system may also be so constructed or programmed to be operable to limit the number of transactions...limit the number of authorized transactions...")-see col. 2 lines 55-67;

performing a test of said plurality of card identification data against a plurality of local databases and updating said plurality of local databases ("the system can check a credit card account number against a listing of previously approved card numbers to identify 'preferred' customers...programming that compares a credit card account number to an off-line list of 'hot' card numbers before allowing a transaction. The system can also provide...for updating of a 'hot' card list...")-see col. 3 lines 6-17. Further it is obvious that the "listings" referred to by Levasseur is a database because the list is accessed by the system and stored in computer memory-see Fig.1 (41).

Therefore, it is obvious that the electronic "list" is a database;

determining if a maximum authorization attempts limit has been reached and selectively returning to step 'b' ("the system may be constructed or programmed to check recorded transactions of a credit card account number in the system to limit the

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number of authorized transactions to some number based upon authorized transactions occurring during some previous time period.")-see col. 2 lines 60-65. It is obvious that if the maximum transaction limit has not been reached, the system will approve another transaction and thus revert to claimed step 'b' for subsequent transactions.

**Re claim 2:** Levassuer disclose:

performing a local authorization flag test -see col. 1 lines 49-54;

**Re claim 3:** For purposes of examination, the Examiner is interpreting "the current iteration" to mean the current number of transactions. Levassuer disclose wherein the step of performing a local authorization flag test (off-line) comprises determining a current authorization attempt, wherein said current authorization attempt is the current iteration of a local authorization routine and comparing said current authorization attempt to a local authorization routine entry-see Fig. 1 (43), col. 2 line 55- col. 3 line 4, col. 7 line 4-16, col. 13 line 61-col.14 line 3.

Levassuer do not explicitly disclose using a counter, however, official notice is taken that it is old and well known in the art of computer programming that counters are frequently used. For example in object oriented computer programming

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languages such as C++, and Java, the use of counters is commonplace in keeping track of iterations in a "for" loop. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include keeping track of iterations using a counter as is old and well known in the art of computer programming in order to provide the user with an effective way to control the execution of the program such as in the use of loops.

**Re claims 4 & 5:** Although Levassuer disclose a system programmed to determine credit transaction limitation counts stored in a listing in computer memory thereby limiting the number of off-line credit transactions authorized, (local authorization flag test)-see Fig. 1 (43), col. 2 line 55- col. 3 line 4, col. 7 line 4-16, col. 13 line 61-col. 14 line 3. Levassuer does not explicitly disclose using a counter. official notice is taken that it is old and well known in the art of computer programming that counters are frequently used. For example in object oriented computer programming languages such as C++, and Java, the use of counters is commonplace in keeping track of iterations in a "for" loop. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include keeping track of iterations using a counter as is old and well known in the art

of computer programming in order to provide the user with an effective way to control the execution of the program such as in the use of loops.

**Re claims 7& 8:** Levasseur disclose wherein said plurality of card identification data includes data from a credit card and the step of performing a card identification validity test includes a test to determine if said card identification data is expired based on date -see col. 2 lines 41-67.

**Re claim 10:** Levasseur disclose wherein determining a card usage frequency of said plurality of card identification data, wherein said card usage frequency is the number of times said plurality of card identification data has been presented for authorization in a predetermined time period-see col. 2 line 55-col. 3 line 5.

**Re claim 12:** Levasseur disclose wherein said plurality of local databases are resident at said audit-credit-interactive system -see Fig. 1 MEMORY (42-50);

**Re claim 13:** Levasseur disclose determining if said plurality of card identification data is included in said plurality of local databases -see Fig. 1 Memory (42-50) and col. 5 lines 48-64.

**Re claim 14:** Levasseur disclose a positive database-see Figs. 1,2 and col. 6 lines 21-35.

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**Re claim 16:** Levasseur disclose wherein the step of updating said plurality of local databases further comprises b) adding said card identification data to said negative-database when said cashless payment transaction authorization request is denied-see col. 6 lines 44-48;

**Re claim 17:** Levassuer disclose determining if a MAXIMUM AUTHORIZATION ATTEMPTS LIMIT has been reached further comprising the steps of:

a) determining a CURRENT AUTHORIZATION ATTEMPT, wherein said CURRENT AUTHORIZATION ATTEMPT is the current iteration of the local authorization routine; and  
b) comparing said CURRENT AUTHORIZATION ATTEMPT to said MAXIMUM AUTHORIZATION ATTEMPTS LIMIT-see col. 2 line 55-col. 3 line 5.

4. Claims 6,9, 11, 15, 18-33, 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur in view of Boston (US Patent No. 4,812,628).

**Re claims 6,9:** For purposes of examination, the Examiner is interpreting claim 9 to mean wherein the step of performing a card identification validity test includes authorizing a transaction by sending an authorization request to a remote location along communication lines. Levasseur do not disclose

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wherein determining if a local authorization routine for authorizing said cashless payment transaction is to be invoked and communicating with a remote location to obtain an authorization. Boston however, teaches ("In accordance with the subject invention, the processor in the terminal would have the capability of reading the risk assessment information on the card and comparing this information to the transaction amount. This information is compared to determine if an approval can be granted without communicating with the issuer. If the evaluation is favorable, the terminal will generate an approval "off-line." If the evaluation falls beyond the limits recorded on the card, an authorization request would be sent along communications lines 24 to the issuer 20.")-see col. 6 lines 36-46. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur to include determining if an approval can be granted "off-line" (local authorization) or if the authorization is to be requested from the issuer (remote location) as taught by Boston in order to approve transactions on site before seeking approval remotely, therefore reducing transaction costs associated with communications to the remote location.

**Re claim 11:** For purposes of examination, the Examiner is interpreting this claim to mean wherein the step of

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performing a card usage frequency limit test includes authorizing a transaction by sending an authorization request to a remote location along communication lines. Although Levasseur disclose the step of performing a card usage frequency limit test-see col. 2 line 55-col. 3 line 5, Levasseur do not disclose communicating with a remote location to obtain an authorization approval for said cashless payment transaction. Boston however, teaches ("If the particular transaction falls within the parameters set by the issuer, the terminal itself can issue an approval. If, however, the transaction falls without the bounds set by the issuer, the authorization request will then be sent on to the communication network for approval at a site remote from the transaction.")-see col. 3 line 67-col. 4 line 6. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur to include if a transaction does not fall within the parameters set by the issuer, the authorization request will be sent on to the communication network for approval at a remote site as was taught by Boston in order to reduce communication costs associated with the remote approval.

**Re claim 15:** For purposes of examination, the Examiner is interpreting this claim to mean wherein the step of performing

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tests of said plurality of card identification data against a plurality of local databases includes authorizing a transaction by sending an authorization request to a remote location along communication lines. Although Levasseur disclose performing tests of said plurality of card identification data against a plurality of local databases--see Fig. 1 Memory (42-50) and col. 5 lines 48-64, Levasseur do not disclose communicating with a remote location to obtain an authorization approval for said cashless payment transaction. Boston however, teaches ("If the particular transaction falls within the parameters set by the issuer, the terminal itself can issue an approval. If, however, the transaction falls without the bounds set by the issuer, the authorization request will then be sent on to the communication network for approval at a site remote from the transaction.")-- see col. 3 line 67-col. 4 line 6. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur to include if a transaction does not fall with the parameters set by the issuer, the authorization request will be sent on to the communication network for approval at a remote site as was taught by Boston in order to reduce communication costs associated with the remote approval.

**Re claim 18:** Levasseur disclose:

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A method of processing a cashless payment transaction comprising the steps of:

- a) obtaining at an audit-credit-interactive system a plurality of card identification data-see col. 2 lines 48-59;
- b) performing at said audit-credit-interactive system a local authorization of said plurality of card identification data-see col. 6 lines 21-52;
- c) transacting a vending session, wherein a sale amount is determined; e) authorizing selectively said cashless payment transaction; and f) settling said cashless payment transaction -see col. 4 line 66- col. 5 line 23;

Levasseur do not disclose d) communicating said cashless payment transaction to a remote location, wherein said cashless payment transaction data includes at least said plurality of card identification data and said sale amount data. Boston however teaches ("If the particular transaction falls within the parameters set by the issuer, the terminal itself can issue an approval. If, however, the transaction falls without the bounds set by the issuer, the authorization request will then be sent on to the communication network for approval at a site remote from the transaction.")-see col. 3 line 67-col. 4 line 6. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur to

include if a transaction does not fall within the parameters set by the issuer, the authorization request will be sent on to the communication network for approval at a remote site as was taught by Boston in order to reduce communication costs associated with the remote approval.

**Re claim 19:** Levassuer disclose wherein said plurality of card identification data includes data from a credit card-see col.2 lines 41-67.

**Re claim 32:** Levassuer does not specifically disclose communicating with said remote location to obtain a second authorization from said remote location for cashless transaction when said cashless transaction has received an approval from the step of performing as said audit credit interactive system a local authorization. Boston however, teaches ("In the preferred embodiment, the processor in the terminal can be programmed to add additional security features. For example, a random selector in the processor can be used to automatically designate certain transactions for transmission, no matter what was the result of the evaluation. ") -see col. 8 and lines 55-62 in particular. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur to include transmitting an authorization request to the remote location after an off-line authorization as taught by

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Boston in order to add an extra measure of security and prevent fraudulent users from using the credit card.

**Re claims 20, 21, 23, 24, 25, 26, 27, 28, 29, 30** have similar limitations found in claims 3, 4, 9, 10, 12&13, 13, 14, 16, 1, 17 above, therefore are rejected by the same rationale.

**Re claim 22:** Levasseur disclose wherein the step of performing at said audit-credit-interactive system a local authorization of said plurality of card identification data includes performing a test to determine if said card identification data is expired based on date-see col. 2 lines 48-55.

**Re claim 31:** Levasseur disclose determining if said cashless payment transaction received an authorization approval from the step of performing at said audit-credit-interactive system a local authorization of said plurality of card identification data-see col. 4 line 59-col. 5 line 3., cols. 2-3.

**Re claim 33:** Levasseur disclose batching into a single batch a plurality of said cashless payment transactions-see col. 1 lines 57-61.

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**Re claim 35:** Levasseur disclose wherein said remote location is a credit bureau. Boston however, teaches ("The issuer 2- may be a bank or other financial institution. Often, the issuer will collect information from the cardholder to make an evaluation and assign a credit limit to the cardholder...")-see col. 4 lines 55-61 and col. 3 lines 24-31. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur to include the requesting authorization of a transaction at the issuer location (remote location) as taught by Boston in order to reduce the risks associated with the fraudulent use of the credit card or exceeding credit limits.

5. Claim 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Levasseur in view of Boston as in claim 18, above and further in view of Muftic (US Patent No. 5,850,442).

**Re claim 34:** Levasseur and Boston do not disclose processing said cashless payment transaction in the international currency of origin. Muftic, however teaches conducting a variety of common electronic business transactions over an extended network and ("In this case, the current value field contains a summation of all certificates, such as that shown in FIG. 1910 converted, using conversion values from the

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nationality stated to a desired currency value."))-see col. 17 lines 4-7. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Levasseur and Boston to include conversion of electronic money into a desired international currency as taught by Muftic in order for the user to gain a better understanding of expenses charged and reflected on the credit card statement.

***Conclusion***

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Savitch, Walter. "Problem Solving with C++, The Object of Programming". Reading: Addison-Wesley Longman, Inc., 1999, pp. 406-413.-cited for its reference to counters used in computer programming.

US Patent No. 5,591,949 (Bernstein)-cited for an automatic portable account controller for remotely arranging for payment of debt to a vendor.

US Patent No. 5,285,382 (Muehlberger et al.) -cited for a system and method for processing credit and debit card validity and funds transactions from vending machines and similar terminals.

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US Patent No. 4,485,300 (Peirce)-cited for a loss control system wherein a data control center is provided with parameters, supplied by each issuer, for determining which authorization requests are to be forwarded to the issuer for approval.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday -Thursday 8:30 am to 4:30pm.

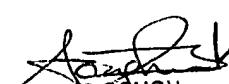
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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